

**PORTFOLIO ADDITIONAL  
ESTIMATES STATEMENTS 2010-11**

CLIMATE CHANGE AND ENERGY EFFICIENCY  
PORTFOLIO

EXPLANATIONS OF ADDITIONAL ESTIMATES 2010-11



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The document must be attributed as the Portfolio Additional Estimates Statements 2010-11 Climate Change and Energy Efficiency Portfolio.

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**Minister for Climate Change and Energy Efficiency**

President of the Senate  
Australian Senate  
Parliament House  
CANBERRA ACT 2600

Speaker  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Mr President  
Dear Mr Speaker

I hereby submit Portfolio Additional Estimates Statements in support of the 2010-11 Additional Estimates for the Climate Change and Energy Efficiency Portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the funding requirements being sought for the Portfolio.

I present these statements by virtue of my ministerial responsibility for accountability to the Parliament and, through it, the public.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Greg Combet', written over the 'Yours sincerely' text.

GREG COMBET

**Abbreviations and conventions**

(a) The following notations may be used:

NEC/nec	not elsewhere classified
AEST	Australian Eastern Standard Time
-	nil
..	not zero, but rounded to zero
na	not applicable (unless otherwise specified)
nfp	not for publication
\$m	\$ million

(b) Figures in tables and in the text may be rounded. Discrepancies in tables between totals and sums of components are due to rounding.

**ENQUIRIES**

Should you have any enquiries regarding this publication please contact Robert Twomey, Chief Financial Officer in the Department of Climate Change and Energy Efficiency on (02) 6159 7259.

A copy of this document can be located on the Australian Government Budget website at: <http://www.budget.gov.au>

USER GUIDE  
TO THE  
PORTFOLIO ADDITIONAL  
ESTIMATE STATEMENTS



## USER GUIDE

The purpose of the Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements (PB Statements), is to inform Senators and Members of Parliament and the public of the proposed allocation of resources to Government outcomes by agencies within the portfolio. The focus of the PAES differs from the PB Statements in one important aspect. While the PAES include an Agency Resource Statement to inform Parliament of the revised estimate of the total resources available to an agency, the focus of the PAES is on explaining the changes in resourcing by outcome(s) since the Budget. As such, the PAES provides information on new measures and their impact on the financial and/or non-financial planned performance of programs supporting those outcomes.

The PAES facilitate understanding of the proposed appropriations in Appropriation Bills (No. 3 and No. 4) 2010-11. In this sense the PAES is declared by the Additional Estimates Appropriation Bills to be a 'relevant document' to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

Whereas the *Mid-Year Economic and Fiscal Outlook 2010-11* is a mid-year budget report which provides updated information to allow the assessment of the Government's fiscal performance against its fiscal strategy, the PAES update the most recent budget appropriations for agencies within the portfolio.

## STRUCTURE OF THE PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS

The PAES are presented in three parts with subsections.

### User guide

Provides a brief introduction explaining the purpose of the PAES.

### Portfolio overview

Provides an overview of the portfolio, including a chart that outlines the outcomes for agencies in the portfolio.

### Agency additional estimates statements

A statement (under the name of the agency) for each agency affected by Additional Estimates.

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<b>Section 1: Agency overview and resources</b>	This section details the total resources available to an agency, the impact of any measures since Budget, and impact on Appropriation Bills No. 3 and No. 4.
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<b>Section 2: Revisions to outcomes and planned performance</b>	This section details <b>changes</b> to Government outcomes and/or <b>changes</b> to the planned performance of agency programs.
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<b>Section 3: Explanatory tables and budgeted financial statements</b>	This section contains updated explanatory tables on special account flows and staffing levels and revisions to the budgeted financial statements.
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# PORTFOLIO OVERVIEW



## **PORTFOLIO OVERVIEW**

### **MINISTER(S) AND PORTFOLIO RESPONSIBILITIES**

The Department of Climate Change and Energy Efficiency leads the development and coordination of Australia's climate change and energy efficiency policy. It is responsible for policy advice, policy implementation and program delivery in four areas: reducing Australia's greenhouse gas emissions; promoting energy efficiency; adapting to climate change; and helping to shape a global climate change solution.

The Department of Climate Change and Energy Efficiency is responsible for the oversight of the Office of the Renewable Energy Regulator (ORER) and the Australian Carbon Trust Limited (ACT Ltd).

ORER is responsible for implementing the Australian Government's enhanced renewable energy target, which is to be achieved over the period 2001 to 2020. ORER is a statutory and prescribed agency operating under the *Renewable Energy (Electricity) Act 2000*.

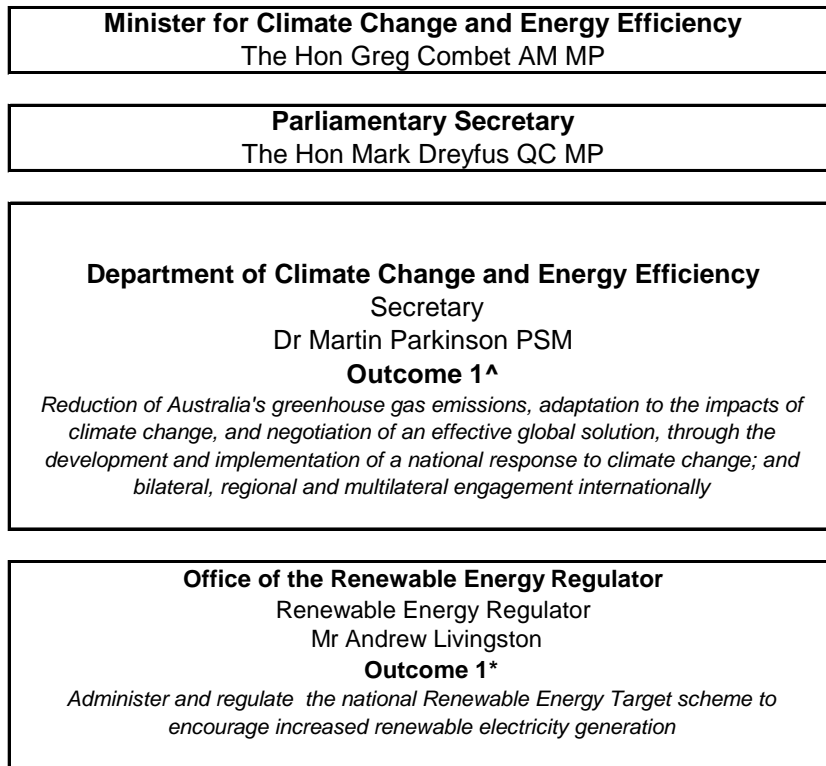
ACT Ltd is responsible for providing information and tools for households and businesses to effectively participate in Australia's climate change response. ACT Ltd will manage the Energy Efficiency Trust.

### **ADDITIONAL ESTIMATES AND VARIATIONS**

The Department of Climate Change and Energy efficiency is seeking \$142m in administered and departmental appropriations through *Appropriation Bills (No. 3 & 4) 2010-11*.

ORER is seeking \$5.6m in administered and departmental appropriations through *Appropriation Bills (No. 3 & 4) 2010-11*.

**Figure 1: Portfolio structure and outcomes**



<sup>^</sup> The Outcome statement for the Department of Climate Change and Energy Efficiency has reverted to the original statement reported in the 2009-10 PB Statements. The Department's outcome statement in the 2010-11 PB Statements was '*Reduction of Australia's greenhouse gas emissions including by promoting energy efficiency, adaptation to the impacts of climate change, and negotiation of an effective global solution, through the development and implementation of a national response to climate change; and bilateral, regional and multilateral engagement internationally*'.

\* This outcome contributes to the Department of Climate Change and Energy Efficiency's Outcome 1.

**PORTFOLIO RESOURCES**

Table 1 shows for those agencies reporting in the Portfolio Additional Estimates Statements the additional resources provided to the portfolio in the 2010-11 budget year, by agency.

**Table 1: Portfolio resources 2010-11**

	Appropriation			Receipts	Total
	Bill No. 3 \$'000	Bill No. 4 \$'000	Special \$'000	\$'000	\$'000
<b>Department of Climate Change and Energy Efficiency</b>					
Administered appropriations		2,890			2,890
Departmental appropriations	85,988	53,250			139,238
<b>Total:</b>	<b>85,988</b>	<b>56,140</b>	-	-	<b>142,128</b>
<b>Office of the Renewable Energy Regulator</b>					
Administered appropriations	2,537				2,537
Departmental appropriations	2,815	275			3,090
<b>Total:</b>	<b>5,352</b>	<b>275</b>	-	-	<b>5,627</b>
<b>Portfolio total</b>					<b>147,755</b>
Less amounts transferred w ithin portfolio					-
<b>Additional resources available within portfolio:</b>					<b>147,755</b>



# AGENCY ADDITIONAL ESTIMATES STATEMENTS

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# DEPARTMENT OF CLIMATE CHANGE AND ENERGY EFFICIENCY

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# DEPARTMENT OF CLIMATE CHANGE AND ENERGY EFFICIENCY

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION

Details of the Department's strategic direction and program structures are contained in the 2010-11 Portfolio Budget Statements.

The Department is being provided with additional funding of \$86.0 million in *Appropriation Bill (No. 3) 2010-11* and \$56.1 million in *Appropriation Bill (No.4) 2010-11*.

Following the Administrative Arrangements Orders of 14 October 2010, the Smart Grid, Smart Cities program was transferred to the Department of Resources, Energy and Tourism.

The estimates have not been adjusted to reflect the impact from the Government's Flood Package, as it was too late for inclusion in this update.

### 1.2 AGENCY RESOURCE STATEMENT

The Agency Resource Statement details the resourcing for the Department of Climate Change and Energy Efficiency at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2010-11 Budget year, including variations through Appropriation Bills No.3 and No.4, special appropriations and special accounts.

**Table 1.1: Department of Climate Change and Energy Efficiency — Additional estimates for 2010-11 as at Additional Estimates February 2011**

	Estimate as at Budget <sup>+</sup>	Proposed Additional <sup>=</sup> Estimate	Total estimate at Additional Estimates	Total available appropriation
	2010-11 \$'000	2010-11 \$'000	2010-11 \$'000	2009-10 \$'000
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	18,039	-	18,039	7,426
Departmental appropriation <sup>3,6</sup>	100,149	85,988	186,137	121,958
s31 Relevant agency receipts <sup>4</sup>	-	-	-	4,703
s32 transfers <sup>6</sup>	-	39,722	39,722	-
<b>Total</b>	<b>118,188</b>	<b>125,710</b>	<b>243,898</b>	<b>134,087</b>
<b>Administered expenses</b>				
Outcome 1 <sup>6</sup>	1,442,934	(438,877)	1,004,057	1,216,826
Payments to CAC Act bodies	-	-	-	-
<b>Total</b>	<b>1,442,934</b>	<b>(438,877)</b>	<b>1,004,057</b>	<b>1,216,826</b>
<b>Total ordinary annual services</b>	<b>A 1,561,122</b>	<b>(313,167)</b>	<b>1,247,955</b>	<b>1,350,913</b>
<b>Other services<sup>5</sup></b>				
<b>Administered expenses</b>				
<b>Specific payments to States, ACT, NT and local government</b>				
Outcome 1	12,025	3,140	15,165	8,045
<b>Total</b>	<b>12,025</b>	<b>3,140</b>	<b>15,165</b>	<b>8,045</b>
<b>Departmental non-operating</b>				
Equity injections	2,101	53,250	55,351	54,525
Departmental Supplementation	-	-	-	25,867
<b>Total</b>	<b>2,101</b>	<b>53,250</b>	<b>55,351</b>	<b>80,392</b>
<b>Total other services</b>	<b>B 14,126</b>	<b>56,390</b>	<b>70,516</b>	<b>88,437</b>
<b>Total available annual appropriations</b>	<b>1,575,248</b>	<b>(256,777)</b>	<b>1,318,471</b>	<b>1,439,350</b>
<b>Total net resourcing for DCCEE</b>	<b>1,575,248</b>	<b>(256,777)</b>	<b>1,318,471</b>	<b>1,439,350</b>

1. Appropriation Bill (No.1 & 3) 2010-11.
2. Estimated adjusted balance carried from previous year for annual appropriations.
3. Includes an amount of \$4.8m in 2010-11 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.
4. Section 31 Relevant Agency receipts — estimate.
5. Appropriation Bill (No.2 & 4) 2010-11.
6. The Department received departmental funding of \$40.5m from the former Department of the Environment, Water, Heritage and the Arts. The Department has transferred \$0.8m from departmental and \$56.5m from administered under a section 32 determination to the Department of Resources, Energy and Tourism.
7. Movement of funds of \$0.25m is included in the Specific payments to states, but has not been appropriated as it is offset by the administered expenses reduction for outcome 1 above.

Reader note: All figures are GST exclusive.

**Third Party Drawdowns from and on behalf of other agencies**

	Estimate at Budget	Estimate at Additional Estimates
	2010-11 \$'000	2010-11 \$'000
Payments made by other agencies on behalf of DCCEE		
Medicare Australia	384,220	64,500
Centrelink	-	1,850

**1.3 Agency Measures table**

Table 1.2 summarises new Government measures taken since the 2010-11 Budget. The table is split into revenue, expense and capital measures, with the affected program identified.

Department of Climate Change and Energy Efficiency

**Table 1.2: Agency 2010-11 Measures since Budget**

	Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
<b>Expense measures</b>					
National Solar Schools Program — refinements	1.2				
Administered expenses		2,890	3,444	7,669	(5,245)
Departmental expenses <sup>1</sup>		450	121	183	185
<b>Total</b>		<b>3,340</b>	<b>3,565</b>	<b>7,852</b>	<b>(5,060)</b>
Carbon Farming Initiative — establishment	1.1				
Administered expenses		-	-	-	-
Departmental expenses <sup>1</sup>		4,025	12,485	10,825	10,625
<b>Total</b>		<b>4,025</b>	<b>12,485</b>	<b>10,825</b>	<b>10,625</b>
Climate Change Commission — establishment	1.3				
Administered expenses		-	-	-	-
Departmental expenses <sup>1</sup>		781	1,608	1,605	1,605
<b>Total</b>		<b>781</b>	<b>1,608</b>	<b>1,605</b>	<b>1,605</b>
Low Carbon Communities	1.2				
Administered expenses		300	28,000	28,000	13,454
Departmental expenses <sup>1</sup>		2,854	2,593	2,711	1,838
<b>Total</b>		<b>3,154</b>	<b>30,593</b>	<b>30,711</b>	<b>15,292</b>
Multi-Party Climate Change Committee — establishment	1.1				
Administered expenses		-	-	-	-
Departmental expenses <sup>1</sup>		4,220	1,021	-	-
<b>Total</b>		<b>4,220</b>	<b>1,021</b>	<b>-</b>	<b>-</b>
Renewable Energy Bonus Scheme — reduction in funding	1.2				
Administered expenses		(75,000)	(75,000)	-	-
Departmental expenses <sup>1</sup>		-	-	-	-
<b>Total</b>		<b>(75,000)</b>	<b>(75,000)</b>	<b>-</b>	<b>-</b>
Tax Breaks for Green Buildings	1.2				
Administered expenses		-	-	-	-
Departmental expenses <sup>1</sup>		3,902	5,849	2,848	2,000
<b>Total</b>		<b>3,902</b>	<b>5,849</b>	<b>2,848</b>	<b>2,000</b>
Sustainable Resourcing — Energy Efficiency Functions	1.2				
Administered expenses		-	-	-	-
Departmental expenses <sup>1</sup>		15,074	-	-	-
<b>Total</b>		<b>15,074</b>	<b>-</b>	<b>-</b>	<b>-</b>
Green Loans — Training assistance for assessors	1.2				
Administered expenses		5,831	10,639	-	-
Departmental expenses <sup>1</sup>		669	888	-	-
<b>Total</b>		<b>6,500</b>	<b>11,527</b>	<b>-</b>	<b>-</b>
Green Loans — Assistance for uncontracted assessors	1.2				
Administered expenses		10,200	5,200	-	-
Departmental expenses <sup>1</sup>		1,867	1,229	-	-
<b>Total</b>		<b>12,067</b>	<b>6,429</b>	<b>-</b>	<b>-</b>

**Table 1.2: Agency 2010-11 Measures since Budget (continued)**

	Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
Green Loans — Extension	1.2				
Administered expenses		9,546	-	-	-
Departmental expenses <sup>1</sup>		408	-	-	-
<b>Total</b>		<b>9,954</b>	-	-	-
Green Loans — Cessation	1.2				
Administered expenses		(80,220)	-	-	-
Departmental expenses <sup>1</sup>		3,789	(3,605)	(2,764)	-
<b>Total</b>		<b>(76,431)</b>	<b>(3,605)</b>	<b>(2,764)</b>	-
Green Start Program — Modification and expansion	1.2				
Administered expenses		69,066	7,000	(2,000)	-
Departmental expenses <sup>1</sup>		5,323	2,132	616	-
<b>Total</b>		<b>74,389</b>	<b>9,132</b>	<b>(1,384)</b>	-
Green Start — Cessation	1.2				
Administered expenses		(146,766)	(57,000)	-	-
Departmental expenses <sup>1</sup>		(2,957)	(2,132)	(616)	-
<b>Total</b>		<b>(149,723)</b>	<b>(59,132)</b>	<b>(616)</b>	-
<b>Total expense measures</b>					
Administered <sup>2</sup>		(204,153)	(77,717)	33,669	8,209
Departmental		40,405	22,189	15,408	16,253
<b>Total</b>		<b>(163,748)</b>	<b>(55,528)</b>	<b>49,077</b>	<b>24,462</b>
<b>Capital measures</b>					
Carbon Farming Initiative — establishment	1.1				
Administered capital		-	-	-	-
Departmental capital <sup>3</sup>		100	1,340	100	100
<b>Total</b>		<b>100</b>	<b>1,340</b>	<b>100</b>	<b>100</b>
Low Carbon Communities	1.2				
Administered capital		-	-	-	-
Departmental capital <sup>3</sup>		250	-	-	-
<b>Total</b>		<b>250</b>	-	-	-
<b>Total capital measures</b>					
Administered		-	-	-	-
Departmental		350	1,340	100	100
<b>Total</b>		<b>350</b>	<b>1,340</b>	<b>100</b>	<b>100</b>

Prepared on a Government Financial Statistics (fiscal) basis

## 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for the Department of Climate Change and Energy Efficiency at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates and variations resulting from new measures since the 2010-11 Budget in Appropriation Bills No.3 and No.4. Table 1.4 details Additional Estimates or variations through other factors, such as parameter adjustments.

**Table 1.3: Additional estimates and variations to outcomes from measures since the 2010-11 Budget**

	Program impacted	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
<b>Outcome 1</b>					
<b>Increase in estimates (administered)</b>					
National Solar Schools Program		2,890	3,444	7,669	(5,245)
Low Carbon Communities		300	28,000	28,000	13,454
Green Loans — Training assistance for assessors		5,831	10,639	-	-
Green Loans — Assistance for uncontracted assessors		10,200	5,200	-	-
Green Loans — Extension		9,546	-	-	-
Green Start Program — Modification and expansion		69,066	7,000	(2,000)	-
<b>Decrease in estimates (administered)</b>					
Renewable Energy Bonus Scheme		(75,000)	(75,000)	-	-
Green Loans — Cessation		(80,220)	-	-	-
Green Start — Cessation		(146,766)	(57,000)	-	-
Net impact on estimates for Outcome 1 (administered)		(204,153)	(77,717)	33,669	8,209
<b>Increase in estimates (departmental)</b>					
National Solar Schools Program		450	121	183	185
Carbon Farming Initiative		4,025	12,485	10,825	10,625
Climate Change Commission		781	1,608	1,605	1,605
Low Carbon Communities		2,854	2,593	2,711	1,838
Multi-Party Climate Change Committee		4,220	1,021	-	-
Tax Breaks for Green Buildings		3,902	5,849	2,848	2,000
Efficiency Functions		15,074	-	-	-
Green Loans — Training assistance for assessors		669	888	-	-
Green Loans — Assistance for uncontracted assessors		1,867	1,229	-	-
Green Loans — Extension		408	-	-	-
Green Start Program — Modification and expansion		5,323	2,132	616	-
<b>Decrease in estimates (departmental)</b>					
Green Loans — Cessation		3,789	(3,605)	(2,764)	-
Green Start — Cessation		(2,957)	(2,132)	(616)	-
Net impact on estimates for Outcome 1 (departmental)		40,405	22,189	15,408	16,253

*Department of Climate Change and Energy Efficiency*

**Table 1.4: Additional estimates and variations to outcomes from other variations**

	Program impacted	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
Decrease in estimates (administered)					
Section 32 transfer to Department Resources, Energy and Tourism	1.2	(56,459)	(28,230)	(9,410)	-
Reallocation of funding for Home Insulation Program Review Office	1.2	(45,583)	(9,984)	-	-
Movement of funds	1.2	(129,542)	5,270	681	-
Net impact on estimates for Outcome 1 (administered)		(231,584)	(32,944)	(8,729)	-
Increase in estimates (departmental)					
Section 32 transfer from the former Department of the Environment, Water, Heritage and the Arts	1.2	40,541	24,814	14,265	3,946
Reallocation of funding for Home Insulation Program Review Office	1.2	45,583	9,984	-	-
Decrease in estimates (departmental)					
Section 32 transfer to Department Resources, Energy and Tourism	1.2	(819)	(859)	(853)	-
Net impact on estimates for Outcome 1 (departmental)		85,305	33,939	13,412	3,946

## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for Department of Climate Change and Energy Efficiency through Appropriation Bills No.3 and No.4.

**Table 1.5: Appropriation Bill (No. 3) 2010-11**

	2009-10 Available \$'000	2010-11 Budget \$'000	2010-11 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
<b>ADMINISTERED ITEMS</b>					
<b>Outcome 1</b>					
Reduction of Australia's greenhouse gas emissions, adaptation to the impacts of climate change, and negotiation of an effective global solution, through the development and implementation of a national response to climate change; and bilateral, regional and multilateral engagement internationally	1,216,826	1,442,934	1,004,057	-	438,877
<b>Total</b>	1,216,826	1,442,934	1,004,057	-	438,877
<b>DEPARTMENTAL PROGRAMS</b>					
<b>Outcome 1</b>					
Reduction of Australia's greenhouse gas emissions, adaptation to the impacts of climate change, and negotiation of an effective global solution, through the development and implementation of a national response to climate change; and bilateral, regional and multilateral engagement internationally	121,958	100,149	225,859	85,988	-
<b>Total</b>	121,958	100,149	225,859	85,988	-
<b>Total administered and departmental</b>	1,338,784	1,543,083	1,229,916	85,988	438,877

**Table 1.6: Appropriation Bill (No. 4) 2010-11**

	2009-10 Available \$'000	2010-11 Budget \$'000	2010-11 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
<b>PAYMENTS TO STATES, ACT, NT AND LOCAL GOVERNMENT Outcome 1</b>					
Reduction of Australia's greenhouse gas emissions, adaptation to the impacts of climate change, and negotiation of an effective global solution, through the development and implementation of a national response to climate change; and bilateral, regional and multilateral engagement internationally	8,045	12,025	15,165	2,890	-
<b>OTHER ADMINISTERED ITEMS Outcome 1</b>					
Reduction of Australia's greenhouse gas emissions, adaptation to the impacts of climate change, and negotiation of an effective global solution, through the development and implementation of a national response to climate change; and bilateral, regional and multilateral engagement internationally	-	-	-	-	-
<b>Total</b>	<b>8,045</b>	<b>12,025</b>	<b>15,165</b>	<b>2,890</b>	<b>-</b>
<b>Non-operating</b>					
Equity injections	40,796	2,101	42,897	53,250	-
<b>Total non-operating</b>	<b>40,796</b>	<b>2,101</b>	<b>42,897</b>	<b>53,250</b>	<b>-</b>
<b>Department of Climate Change and Energy Efficiency</b>	<b>48,841</b>	<b>14,126</b>	<b>58,062</b>	<b>56,140</b>	<b>-</b>

Note: The revised estimate for Payments to States, ACT, NT and Local Government in 2010-11 includes \$0.250 million that has not been appropriated as it is offset by the reduction in administered estimates as detailed in Table 1.5.

*Department of Climate Change and Energy Efficiency*

*Section 2: Revisions to agency resources and planned performance*

The estimates have not been adjusted to reflect the impact from the Government's Flood Package, as it was too late for inclusion in this update.

**2.1 RESOURCES AND PERFORMANCE INFORMATION**

Complete details of the Department of Climate Change and Energy Efficiency resources and performance information can be found in the *2010-11 Portfolio Budget Statements*.

**Table 2.1 Budgeted Expenses and Resources for Outcome**

<b>Table 2.1 Budgeted Expenses and Resources for Outcome 1</b>		
<b>Outcome 1:</b> Reduction of Australia's greenhouse gas emissions, adaptation to the impacts of climate change, and negotiation of an effective global solution, through the development and implementation of a national response to climate change; and bilateral, regional and multilateral engagement internationally	2009-10 Actual expenses \$'000	2010-11 Revised estimated expenses \$'000
<b>Program 1.1: Reducing Australia's Greenhouse Gas Emissions</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	77,991	54,000
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	71,845	40,990
Revenues from independent sources (s31)	-	-
Other services (Appropriation Bill No. 2 & 4)	4,354	20,384
Expenses not requiring appropriation in the Budget year	3,353	1,118
<b>Total for Program 1.1</b>	<b>157,543</b>	<b>116,492</b>
<b>Program 1.2: Improving Australia's Energy Efficiency</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	383,762	931,892
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	19,285	129,087
Revenues from independent sources (s31)	-	-
Other services (Appropriation Bill No. 2 & 4)	2,050	27,598
Expenses not requiring appropriation in the Budget year	1,579	1,514
<b>Total for Program 1.2</b>	<b>406,676</b>	<b>1,090,091</b>
<b>Program 1.3: Adapting to Climate Change</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	25,278	30,330
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	34,997	34,580
Revenues from independent sources (s31)	4,703	-
Other services (Appropriation Bill No. 2 & 4)	1,696	7,942
Expenses not requiring appropriation in the Budget year	1,306	436
<b>Total for Program 1.3</b>	<b>67,980</b>	<b>73,288</b>
<b>Program 1.4: Helping to Shape a Global Climate Change Solution</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	2,868	3,000
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	20,667	16,327
Revenues from independent sources (s31)	-	-
Other services (Appropriation Bill No. 2 & 4)	919	4,302
Special Accounts		
Expenses not requiring appropriation in the Budget year	708	236
<b>Total for Program 1.4</b>	<b>25,162</b>	<b>23,865</b>

**Table 2.1 Budgeted Expenses and Resources for Outcome (continued)**

<b>Outcome 1 Totals by appropriation type</b>		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	489,899	1,019,222
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	146,794	220,984
Revenues from independent sources (s31)	4,703	-
Other services (Appropriation Bill No. 2 & 4)	9,019	60,226
Expenses not requiring appropriation in the Budget year	6,946	3,304
<b>Total expenses for Outcome 1</b>	<b>657,361</b>	<b>1,303,736</b>
	2009-10	2010-11
<b>Average Staffing Level (number)</b>	638	917

## Contributions to Outcome 1

### Program 1.1: Reducing Australia's greenhouse gas emissions

#### Program objective

- To develop and implement domestic policies and measures to deliver Australia's greenhouse gas emissions reduction targets including:
  - a legislated Renewable Energy Target scheme to deliver on the Government's target of 20 per cent renewable energy in Australia's electricity supply by 2020
  - a carbon price, options for which are being explored through the Multi-Party Climate Change Committee
  - an integrated suite of complementary measures to reduce greenhouse gas emissions, promote and improve energy efficiency, and accelerate the development and deployment of renewable energy technologies
  - effective measuring, monitoring and reporting of current and future emissions.

*Department of Climate Change and Energy Efficiency*

**Program Expenses 1.1**

	2009-10 Actuals \$'000	2010-11 Revised budget \$'000	2011-12 Forward year 1 \$'000	2012-13 Forward year 2 \$'000	2013-14 Forward year 3 \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Australian Carbon Trust	76,161	25,000	-	-	-
Climate Change - Foundation Campaign	1,830	29,000	-	-	-
Program support	71,845	40,949	30,409	28,615	25,121
Expenses not requiring appropriation in the Budget year	3,353	1,118	993	780	400
<b>Total program expenses</b>	<b>153,189</b>	<b>96,067</b>	<b>31,402</b>	<b>29,395</b>	<b>25,521</b>

**Program 1.1: Deliverables**

- Develop and implement climate change mitigation policies.
- Provide information and support to the Multi-Party Climate Change Committee.
- Implement the enhanced Renewable Energy Target.
- Implement the National Carbon Offset Standard (NCOS) and establish robust methodologies and standards to support the integrity of the voluntary carbon offset market.
- Implement the National Carbon Accounting Toolbox (NCAT), a nationally consistent emissions estimation tool for forestry and agriculture.
- Monitor and refine National Greenhouse and Energy Reporting System (NGERS) to improve efficiency and effectiveness.
- Publish NGERS data and ensure access to reported information and data is provided to relevant government agencies.
- Release the National Greenhouse Gas Inventory for 2009.
- Administer the Designated National Authority (DNA) and Designated Focal Point (DFP) to enable Australian industry to establish offset projects in other countries.
- Develop and maintain links with key international partners.
- Support the Australian Carbon Trust to help businesses take action to improve their energy efficiency and reduce emissions.

**Program 1.1: Key Performance indicators**

- Timely high quality briefing and advice meeting ministerial expectations provided in relation to the Government's climate change mitigation policies.
- Timely quality information to the Multi-Party Climate Change Committee.

- Enhanced Renewable Energy Target scheme subordinate legislation finalised by December 2010.
- Finalise assessments to enable assistance under the Renewable Energy Target to be provided to firms conducting Emissions-Intensive Trade-Exposed activities.
- NCOS implemented by 1 July 2010 and Domestic Offsets Integrity Committee established to approve offset methodologies.
- NCAT implemented for forestry and agriculture.
- Timely and smooth processing of applications to the DNA and DFP to enable Australian industry to establish offset projects in other countries.
- Accurate accounting and projection of Australia's greenhouse gas emissions as required by the United Nations Framework Convention on Climate Change
- All annual NGERS reports are receipted and validated, with at least 90% (of reportable emissions) validated before data is published by 28 February 2011.
- All applications for registration with NGERS and other statutory processes are completed within reasonable timeframes and communication with affected parties is clear.
- Systems and processes are in place to comply with amended legislation.
- Timely quality briefing and advice provided on developments in international carbon markets.

**Program 1.2: Improving Australia's Energy Efficiency**

**Program 1.2 objectives**

No changes have occurred to other program objectives since the *2010-11 Portfolio Budget Statements*

**Program Expenses 1.2**

	2009-10 Actuals \$'000	2010-11 Revised budget \$'000	2011-12 Forward year 1 \$'000	2012-13 Forward year 2 \$'000	2013-14 Forward year 3 \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Renewable Remote Power Generation	1,262	6,200	-	-	-
Solar Cities	11,321	19,019	10,149	-	-
Energy Efficiency Programs	3,358	5,270	5,120	4,470	-
Solar Homes and Communities Plans	133,113	177,166	-	-	-
Solar Hot Water Initiative	13,746	162,400	166,300	-	-
Green Loans / Green Start	26,549	107,987	15,839	-	-
Home Insulation Program	194,043	438,385	258,452	-	-
Low Carbon Communities	-	300	28,000	28,000	13,454
Other services (Appropriation Bill No. 2)					
National Solar Schools Plan	5,064	15,165	15,164	12,897	14,705
Program support	19,285	129,087	55,417	26,109	22,921
Expenses not requiring appropriation in the Budget year	1,579	1,514	1,344	1,056	542
<b>Total program expenses</b>	<b>409,320</b>	<b>1,062,493</b>	<b>555,785</b>	<b>72,532</b>	<b>51,622</b>

**Program 1.2: Deliverables**

Home Insulation Program

- Complete compliance activities in relation to the Home Insulation Program (HIP) and initiate appropriate remedial action.
- Deliver a Foil Insulation Safety Program (FISP) covering all HIP houses fitted with foil insulation.
- Deliver a Home Insulation Safety Program (HISP) that will inspect a minimum of 150,000 HIP houses.
- Assist the Department of Innovation, Industry, Science and Research to deliver the Insulation Industry Assistance Package (IIAP).

Renewables and Energy Efficiency Initiatives

- Work with states and territories to implement measures in the National Strategy on Energy Efficiency (NSEE).
- Administer the expanded Solar Cities Program.
- Develop legislation on Greenhouse and Energy Minimum Standards (GEMS) and Tax Breaks for Green Buildings
- Undertake Regulatory Impact Analysis of the Residential Mandatory Disclosure Program
- Implement the Building Energy Efficiency Disclosure Act
- Manage the closure of the Remote Renewable Power Generation Program (RRPGP).
- Deliver Energy Efficiency in Government Operations (EEGO) and related policies.
- Deliver the remainder of the Green Loans Program and then manage the closure of the Program
- Implement the 2010-11 funding round for the National Solar Schools Program.
- Finalise rebate payments and program closure activities for the Solar Homes and Communities Plan Program.
- Finalise rebate payments and program closure activities for the Energy Efficient Homes Package - Solar Hot Water Rebate.
- Implement the Renewable Energy Bonus Scheme – Solar Hot Water rebate.
- Provide advice to Government on the household Renewable Energy Bonus Scheme (REBS) program (uptake and options for retargeting the rebate program).
- Design and deliver the Training Assistance Scheme
- Design and deliver the Financial Assistance Scheme
- Complete program design and commence implementation of the Low Carbon Communities .
- Conduct compliance, audit, evaluation and assurance activities for:
  - The Green Loans Program
  - The National Solar Schools Program
  - The Solar Homes and Communities Plan Program
  - The Renewable Energy Bonus Scheme – Solar Hot Water Rebate.

**Program 1.2: Key Performance Indicators**

Home Insulation Program (HIP)

- Timely high quality policy advice is provided to Government on the progress of the Home Insulation Safety Plan.
- An independent forensic audit is completed in early 2010-11 and appropriate remedial action is commenced if required.
- Program of FISP safety inspections complete by the end of 2010-11. All homes with foil installed under HIP offered an electrical safety inspection, with rectification where required involving foil removal or electrical safety switches installed.
- A program of HISP safety inspections is commenced, with close to 150,000 inspections completed by the end of 2010-11, including appropriate rectification work where necessary.
- Industry assistance payments made to companies by 30 June 2011.

Renewables and Energy Efficiency Initiatives

- Support by key external stakeholders for the Government's position on NSEE implementation.
- Delivery of NSEE measures according to agreed timelines.
- Electric hot water systems no longer being installed in new homes or those with reticulated gas in 2011-12.
- Implementation of Mandatory Energy Performance Standards for appliances and equipment and an increase in the number of appliances and equipment required to display energy label.
- Implementation of Seven Solar Cities delivering products and services to their communities and Government.
- National GEMS and Tax Breaks for Green Buildings legislation in place in 2010-11.
- Regulatory Impact Analysis of the Residential Mandatory Disclosure Program is undertaken in 2010-11.
- High compliance with Building Energy Efficiency Disclosure Act.
- Completion of remaining RRPGP projects in 2010-11.
- Timely completion of the annual report on EEGO and policy advice to Government on EEGO options.
- Efficient and effective management of administered programs in accordance with relevant guidelines and ANAO guidance.
- Low Carbon Communities Program Guidelines released by May 2011.

- Green Loans Program
  - Household sustainability assessments completed by 28 February 2011.
  - Household sustainability assessment reports provided to householders within 10 business days of receipt by the Department. Accreditation of Certificate IV in Home Sustainability Assessment.
  - Independent audits completed for at least: 9,000 household assessments; 450 households that have received an interest-free Green Loan; and 60 assessor companies.
  - Successful management of the closure of the Green Loans Program.
- Implementation of the Green Loans Training Assistance Scheme in the first quarter of 2011
  - Payments made within 28 days of receipt of eligible applications
- Implementation of the Financial Assistance Scheme in the first quarter of 2011.
  - Information on how to apply is available for applicants
  - Payments made to eligible applicants
- National Solar Schools Program
  - National Partnership Agreements agreed with all states and territories for delivery of 2010-11 National Solar Schools funding to government schools.
- 2010-11 National Solar Schools funding round for non-government schools completed by December 2010 with individual funding agreements agreed by February 2011. Completion of payments and program evaluation for the Solar Homes & Communities Plan by 30 April 2011.
- Completion of payments and program evaluation for the Energy Efficient Home Package Solar Hot Water Rebate by 30 June 2011.
- Conduct compliance audit, evaluation and assurance activities for a minimum of 1% of payments for all demand driven programs.
- Policy advice is provided to Government on the scope of REBS.

**Program 1.3: Adapting to climate change**

**Program 1.3 objectives**

No changes have occurred to program objectives since *2010-11 Portfolio Budget Statements*

Department of Climate Change and Energy Efficiency

**Program Expenses 1.3**

	2009-10 Actuals \$'000	2010-11 Revised budget \$'000	2011-12 Forward year 1 \$'000	2012-13 Forward year 2 \$'000	2013-14 Forward year 3 \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Climate change science program	7,795	7,800	7,800	7,800	7,800
National Climate Change Adaptation Centre	20,300	22,530	22,530	-	-
Program support	25,278	34,580	24,315	23,543	21,346
Expenses not requiring appropriation in the Budget year	1,306	436	387	304	156
<b>Total program expenses</b>	<b>54,679</b>	<b>65,346</b>	<b>55,032</b>	<b>31,647</b>	<b>29,302</b>

**Program 1.3: Deliverables**

No changes have occurred to program deliverables since 2010-11 Portfolio Budget Statements

**Program 1.3: Key Performance Indicators**

No changes have occurred to program key performance indicators since 2010-11 Portfolio Budget Statements

**Program 1.4: Helping to shape a global climate change solution**

**Program 1.4 objectives**

No changes have occurred to program objectives since 2010-11 Portfolio Budget Statements

**Program Expenses 1.4**

	2009-10 Actuals \$'000	2010-11 Revised budget \$'000	2011-12 Forward year 1 \$'000	2012-13 Forward year 2 \$'000	2013-14 Forward year 3 \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Influencing international climate change	2,868	3,000	3,000	3,000	3,000
Program support	20,667	16,327	12,403	10,888	10,058
Expenses not requiring appropriation in the Budget year	708	236	210	165	85
<b>Total program expenses</b>	<b>24,243</b>	<b>19,563</b>	<b>15,613</b>	<b>14,053</b>	<b>13,143</b>

**Program 1.4 Deliverables**

No changes have occurred to program deliverables since 2010-11 Portfolio Budget Statements

**Program 1.4: Key Performance Indicators**

- High quality and timely policy advice provided that facilitates pursuit of Australia's national interests and international climate change engagement.
- Robust, evidence-based policy advice which is well-supported across government.
- High quality proposals, representation and negotiation which result in support for Australian policy positions.
- Effective strategic engagement with key countries and groups (Brazil, South Africa, India and China (BASIC), Indonesia, US, UK, Pacific countries and the Alliance of Small Island States, and members of the Cartagena Dialogue of developing countries) which advances Australia's key national interests.
- Timely and effective implementation of projects and activities under the Bilateral Climate Change Partnerships program.
- Timely and effective implementation of regional cooperation initiatives on forestry and continued support for adaptation, especially for vulnerable developing countries in the region, which leads to support for Australia's climate change policy positions.
- Extent of support by key groupings (Pacific Island countries, lesser developed countries, Alliance of Small Island States) for Australian climate change positions.

## Section 3: Explanatory tables and budgeted financial statements

### **3.1 EXPLANATORY TABLES**

#### **Estimates of special account flows**

The Department of Climate Change and Energy Efficiency does not have any Special Accounts.

### **3.2 BUDGETED FINANCIAL STATEMENTS**

#### **3.2.1 Analysis of budgeted financial statements**

The estimates have not been adjusted to reflect the impact from the Government's Flood Package, as it was too late for inclusion in this update.

The Department is budgeting to incur expenses of \$224.3m in 2010-11, an increase of \$123.5m from the 2010-11 Budget. The increase in expenses reflects funding for new measures announced after the Budget and the transfer of Home Insulation Program funding from administered to departmental.

The actual result for 2009-10 was a deficit of \$6.7m.

The capital expenditure of \$53.3m is mainly for the ICT upgrade, accommodation and upgrade of systems.

#### **Administered**

The Department is budgeting to incur expenses of \$1,010 million in 2010-11 for programs administered on behalf of the Government. This is a reduction of \$435.7 million from the 2010-11 Budget. The reduction relates to closure of Green Loans, Green Start and Home Insulation Program.

#### **3.2.2 Budgeted financial statements**

##### **Departmental financial statements**

The Department has revised its departmental budgeting financial statements to reflect the increase/decrease in government appropriations from measures described in Table 1.2, the variations in Tables 1.5 & 1.6, and the associated expenses.

**Table 3.2.1: Budgeted departmental Comprehensive Income Statement (Showing Net Cost of Services) for the period ended 30 June**

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>EXPENSES</b>					
Employee benefits	67,407	<b>142,059</b>	73,316	56,478	49,772
Supplier expenses	67,667	<b>78,576</b>	45,761	34,614	30,505
Grants	940	<b>350</b>	350	350	-
Depreciation and amortisation	3,737	<b>3,304</b>	2,934	2,304	1,183
Finance costs	47	-	-	-	-
Write-down and impairment of assets	1,767	-	-	-	-
<b>Total expenses</b>	<b>141,565</b>	<b>224,289</b>	<b>122,361</b>	<b>93,746</b>	<b>81,460</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	9,636	-	-	-	-
<b>Total revenue</b>	<b>9,636</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Gains</b>					
Other	3,025	-	-	-	-
<b>Total gains</b>	<b>3,025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income</b>	<b>12,661</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cost of (contribution by) services</b>	<b>128,904</b>	<b>220,984</b>	<b>119,427</b>	<b>91,442</b>	<b>80,277</b>
Revenue from Government	121,958	<b>220,984</b>	<b>119,427</b>	<b>91,442</b>	<b>80,277</b>
<b>Surplus (Deficit)</b>	<b>(6,946)</b>	<b>(3,304)</b>	<b>(2,934)</b>	<b>(2,304)</b>	<b>(1,183)</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>-</b>	<b>(3,304)</b>	<b>(2,934)</b>	<b>(2,304)</b>	<b>(1,183)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	271	-	-	-	-
<b>Total other comprehensive income</b>	<b>271</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total comprehensive income	(6,675)	-	-	-	-
<b>Total comprehensive income attributable to the Australian Government</b>	<b>(6,675)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note: Reconciliation of operating result attributable to the agency**

	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2012-13 \$'000
<b>Operating result attributable to the Australian Government</b>	(6,946)	(3,304)	(2,934)	(2,304)	(1,183)
plus non-appropriated expenses depreciation and amortisation expenses	3,737	<b>3,304</b>	2,934	2,304	1,183
<b>Operating result attributable to the Agency</b>	<b>(3,209)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)**

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	791	791	791	791	791
Trade and other receivables	80,935	61,799	41,091	42,611	47,873
Other	89	850	850	850	850
<b>Total financial assets</b>	81,815	63,440	42,732	44,252	49,514
<b>Non-financial assets</b>					
Land and buildings	4,885	32,708	32,708	32,708	32,708
Property, plant and equipment	7,255	21,123	22,463	22,563	22,663
Intangibles	10,045	21,605	21,605	21,605	21,605
Other	600	600	600	600	600
<b>Total non-financial assets</b>	22,785	76,036	77,376	77,476	77,576
Assets held for sale					
<b>Total assets</b>	104,600	139,476	120,108	121,728	127,090
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	15,590	15,842	15,842	15,842	15,842
Grants	104	-	-	-	-
Other	3,324	1,338	1,338	1,338	1,338
<b>Total payables</b>	19,018	17,180	17,180	17,180	17,180
<b>Provisions</b>					
Employee provisions	22,107	43,754	23,946	17,508	15,429
Other	2,841	2,841	2,841	2,841	2,841
<b>Total provisions</b>	24,948	46,595	26,787	20,349	18,270
<b>Total liabilities</b>	43,966	63,775	43,967	37,529	35,450
<b>Net assets</b>	60,634	75,701	76,141	84,199	91,640
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	70,942	78,262	81,636	91,998	100,622
Reserves	277	283	283	283	283
Retained surplus (accumulated deficit)	(10,585)	(2,844)	(5,778)	(8,082)	(9,265)
<b>Total parent entity interest</b>	60,634	75,701	76,141	84,199	91,640
<b>Attributed to Non-Controlling Interest*</b>					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained earnings	-	-	-	-	-
<b>Total minority interest</b>	-	-	-	-	-
<b>Total equity</b>	60,634	75,701	76,141	84,199	91,640

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Budgeted departmental statement of cash flows (as at 30 June)**

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	2,862	-	-	-	-
Appropriations	121,279	186,459	140,135	89,922	75,015
Net GST received	5,897	-	-	-	-
<b>Total cash received</b>	<b>130,038</b>	<b>186,459</b>	<b>140,135</b>	<b>89,922</b>	<b>75,015</b>
<b>Cash used</b>					
Employees	59,403	109,367	93,124	62,916	51,851
Suppliers	68,733	76,638	46,661	26,656	23,164
Other	2,816	454	350	350	-
<b>Total cash used</b>	<b>130,952</b>	<b>186,459</b>	<b>140,135</b>	<b>89,922</b>	<b>75,015</b>
<b>Net cash from (used by) operating activities</b>	<b>(914)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	4,072	60,226	3,374	10,362	8,624
Other	3,973	-	-	-	-
<b>Total cash used</b>	<b>8,045</b>	<b>60,226</b>	<b>3,374</b>	<b>10,362</b>	<b>8,624</b>
<b>Net cash from (used by) investing activities</b>	<b>(8,045)</b>	<b>(60,226)</b>	<b>(3,374)</b>	<b>(10,362)</b>	<b>(8,624)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	9,019	60,226	3,374	10,362	8,624
<b>Total cash received</b>	<b>9,019</b>	<b>60,226</b>	<b>3,374</b>	<b>10,362</b>	<b>8,624</b>
<b>Cash used</b>					
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (used by) financing activities</b>	<b>9,019</b>	<b>60,226</b>	<b>3,374</b>	<b>10,362</b>	<b>8,624</b>
<b>Net increase (decrease) in cash held</b>	<b>60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	731	791	791	791	791
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>791</b>	<b>791</b>	<b>791</b>	<b>791</b>	<b>791</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2010-11)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2010</b>				
Balance carried forward from previous period	(10,585)	277	70,942	60,634
Adjustment for changes in accounting policies	-	-	-	-
<b>Adjusted opening balance</b>	<b>(10,585)</b>	<b>277</b>	<b>70,942</b>	<b>60,634</b>
Surplus (deficit) for the period	(3,304)	-	-	(3,304)
<b>Total comprehensive income recognised directly in equity</b>	<b>(13,889)</b>	<b>277</b>	<b>70,942</b>	<b>57,330</b>
<b>Transactions with owners</b>				
Returns of capital				
Restructuring	11,045	-	-	11,045
<i>Contributions by owners</i>				
Appropriation (equity injection)	-	-	4,875	4,875
Appropriation (departmental capital budget)	-	-	2,451	2,451
Other				
<b>Sub-total transactions with owners</b>	<b>11,045</b>	<b>-</b>	<b>7,326</b>	<b>18,371</b>
Transfers between equity components	-	-	-	-
<b>Estimated closing balance as at 30 June 2011</b>	<b>(2,844)</b>	<b>277</b>	<b>78,268</b>	<b>75,701</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Capital Budget Statement — Departmental**

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2009-10	2010-11	2011-12	2012-13	2013-14
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	-	4,875	2,034	10,262	8,524
Equity injections - Bill 2	9,019	55,351	1,340	100	100
<b>Total capital appropriations</b>	<b>9,019</b>	<b>60,226</b>	<b>3,374</b>	<b>10,362</b>	<b>8,624</b>
<b>Total new capital appropriations</b>					
<b>Represented by:</b>					
Purchase of non-financial assets	9,019	60,226	3,374	10,362	8,624
<b>Total Items</b>	<b>9,019</b>	<b>60,226</b>	<b>3,374</b>	<b>10,362</b>	<b>8,624</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	9,019	60,226	3,374	10,362	8,624
<b>TOTAL</b>	<b>9,019</b>	<b>60,226</b>	<b>3,374</b>	<b>10,362</b>	<b>8,624</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	9,019	60,226	3,374	10,362	8,624
<b>Total cash used to acquire assets</b>	<b>9,019</b>	<b>60,226</b>	<b>3,374</b>	<b>10,362</b>	<b>8,624</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of Asset Movements (2010-11)**

	Land and Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2010</b>				
Gross book value	5,204	7,356	14,038	26,598
Accumulated depreciation/amortisation and impairment	(319)	(101)	(3,993)	(4,413)
<b>Opening net book balance</b>	<b>4,885</b>	<b>7,255</b>	<b>10,045</b>	<b>22,185</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity	27,723	13,759	11,401	52,883
<b>Total additions</b>	<b>27,723</b>	<b>13,759</b>	<b>11,401</b>	<b>52,883</b>
<b>Other movements</b>				
Depreciation/amortisation expense	-	(2,883)	(421)	(3,304)
Other	(100)	(2,992)	(580)	(3,672)
<b>As at 30 June 2011</b>				
Accumulated depreciation/amortisation and impairment	32,927	23,998	25,018	81,943
	(419)	(3,093)	(4,573)	(8,085)
<b>Closing net book balance</b>	<b>32,508</b>	<b>20,905</b>	<b>20,445</b>	<b>73,858</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.8: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)**

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Supplier expenses	218,175	100,452	36,842	3,005	1,000
Grants	274,540	918,770	495,512	53,172	37,959
<b>Total expenses administered on behalf of Government</b>	<b>492,715</b>	<b>1,019,222</b>	<b>532,354</b>	<b>56,177</b>	<b>38,959</b>

Prepared on Australian Accounting Standards basis.

**Table3.2.9: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)**

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	159	159	159	159	159
Receivables	6,557	6,557	6,557	6,557	6,557
Other investments	74,884	74,884	74,884	74,884	74,884
Other	372	372	372	372	372
<b>Total financial assets</b>	<b>81,972</b>	<b>81,972</b>	<b>81,972</b>	<b>81,972</b>	<b>81,972</b>
<b>Non-financial assets</b>					
Other	1,650	1,650	1,650	1,650	1,650
<b>Total non-financial assets</b>	<b>1,650</b>	<b>1,650</b>	<b>1,650</b>	<b>1,650</b>	<b>1,650</b>
Assets held for sale	-	-	-	-	-
<b>Total assets administered on behalf of Government</b>	<b>83,622</b>	<b>83,622</b>	<b>83,622</b>	<b>83,622</b>	<b>83,622</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Suppliers	35,043	35,043	35,043	35,043	35,043
Grants	117,112	117,112	117,112	117,112	117,112
Other	146,972	-	-	-	-
<b>Total payables</b>	<b>299,127</b>	<b>152,155</b>	<b>152,155</b>	<b>152,155</b>	<b>152,155</b>
<b>Total liabilities administered on behalf of Government</b>	<b>299,127</b>	<b>152,155</b>	<b>152,155</b>	<b>152,155</b>	<b>152,155</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.10: Schedule of budgeted administered cash flows (for the period ended 30 June)**

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriation receipts	370,713	1,166,194	532,354	56,177	38,959
<b>Total cash received</b>	<b>370,713</b>	<b>1,166,194</b>	<b>532,354</b>	<b>56,177</b>	<b>38,959</b>
<b>Cash used</b>					
Grant payments	323,376	918,770	495,512	53,172	37,959
Suppliers	41,303	247,424	36,842	3,005	1,000
Net GST paid	2,416	-	-	-	-
Employees	12	-	-	-	-
Other	3,447	-	-	-	-
<b>Total cash used</b>	<b>370,554</b>	<b>1,166,194</b>	<b>532,354</b>	<b>56,177</b>	<b>38,959</b>
<b>Net cash from (used by) operating activities</b>	159	-	-	-	-
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>	-	-	-	-	-
<b>Total cash received</b>	-	-	-	-	-
<b>Cash used</b>					
<b>Total cash used</b>	-	-	-	-	-
<b>Net cash from (used by) investing activities</b>	-	-	-	-	-
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
<b>Total cash received</b>	-	-	-	-	-
<b>Cash used</b>					
<b>Total cash used</b>	-	-	-	-	-
<b>Net cash from (used by) financing activities</b>	-	-	-	-	-
<b>Net increase (decrease) in cash held</b>					
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
<b>Cash and cash equivalents at end of reporting period</b>	159	159	159	159	159

Prepared on Australian Accounting Standards basis.

## **Notes to the financial statements**

The statements have been prepared in accordance with:

- Finance Minister's Orders (FMO's), being the Financial Management and Accountability Orders;
- Australian Equivalents of International Financial Reporting Standards (AEIFRS) issued by the Australian Accounting Standards Board(AASB) that apply for the reporting period; and
- Interpretations issued by the AASB and Urgent Issues Group (UIG) that apply for the reporting period.

The statements have been prepared on an accruals basis and are in accordance with historical cost principles except for certain assets, which, as noted, are at valuation.

### **Departmental**

#### **Income**

Income includes the following items:

- Revenues from Government - amounts appropriated for departmental outputs; and
- Goods and Services - revenue is recognised upon the delivery of goods and services to customers

#### **Expenses**

The department applies a uniform policy for all grants. Grant liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed (ii) the grant eligibility criteria have been satisfied, but payments due have not been made. Where grants moneys are paid in advance of performance or eligibility, a prepayment is recognised.

All other expenses are recognised on an accrual basis, as and when these can be reliably estimated.

#### **Assets**

Land, buildings, plant and equipment are carried at their fair value.

Non-current assets are reviewed at balance date for internal and external indications of impairment. Where indications of impairment are identified for an asset, its recoverable amount is determined and where lower than its carrying amount, written down to that amount.

The Department's intangible assets comprise purchased computer software for internal use. These assets are carried at cost.

### **Liabilities**

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled. The liability for employee benefits includes provision for annual leave and long service leave.

Liabilities for 'short-term employee benefits' (as defined in AASB 119) and termination benefits due twelve months of balance date are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability. All other employee benefit liabilities are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Trade creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled which represent their fair value. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

### **Administered**

Administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

## **OFFICE OF THE RENEWABLE ENERGY REGULATOR**

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## OFFICE OF THE RENEWABLE ENERGY REGULATOR

### Section 1: Agency overview and resources

#### 1.1 STRATEGIC DIRECTION

Since the preparation of the 2010-11 PB Statements the Office of the Renewable Energy Regulator (ORER) has implemented major amendments to the *Renewable Energy (Electricity) Act 2000* with subsequent amendments to the *Renewable Energy (Electricity) Regulations 2001*. Minor amendments have been made to the *Renewable Energy (Electricity) (Large-scale Generation Shortfall Charge) Act 2000* with the commencement of the *Renewable Energy (Electricity) (Small-scale Technology Shortfall Charge) Act 2010*.

These legislative amendments include:

- (a) the split of the single existing market for Renewable Energy Certificates (RECs) to small technology and large scale generation certificate markets and the introduction of (i) a quarterly surrender in the case of small scale certificates and (ii) a number of new requirements before creating small scale technology certificates;
- (b) the establishment of an on-line *Clearing House* through which owners of small scale technology certificates are guaranteed \$40 per certificate;
- (c) the requirement to inspect a statistically significant number of small generation units (SGUs) (mainly roof top photovoltaic systems) each year for their compliance with eligibility criteria; and
- (d) significant new compliance and enforcement powers for the Regulator including the option to use civil prosecutions and to issue enforceable undertakings.

Together, these amendments provide those with an entitlement to create RECs with a greater price surety and the Regulator with greater control over the quality of installations and the integrity of the market.

The additional estimates provide ORER with the resources necessary to administer the new statutory responsibilities.

#### 1.2 AGENCY RESOURCE STATEMENT

The Agency Resource Statement details the resourcing for ORER at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2010-11 Budget year, including variations through Appropriation Bills No.3 and No.4, special appropriations and special accounts.

**Table 1.1: ORER resource statement — Additional estimates for 2010-11 as at Additional Estimates February 2011**

	Estimate as at Budget	Proposed Additional Estimate	Total estimate at Estimates 2010-11	Total available appropriation 2009-10
	2010-11 \$'000	2010-11 \$'000	2010-11 \$'000	2009-10 \$'000
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	5,517	-	5,517	3,872
Departmental appropriation <sup>3</sup>	7,813	2,815	10,628	5,553
<b>Total</b>	<b>13,330</b>	<b>2,815</b>	<b>16,145</b>	<b>9,425</b>
<b>Administered expenses</b>				
Outcome 1 <sup>1</sup>	-	2,537	2,537	-
<b>Total</b>	<b>-</b>	<b>2,537</b>	<b>2,537</b>	<b>-</b>
<b>Total ordinary annual services A</b>	<b>13,330</b>	<b>5,352</b>	<b>18,682</b>	<b>9,425</b>
<b>Departmental non-operating</b>				
Equity injections <sup>4</sup>	4,500	275	4,775	1,669
<b>Total</b>	<b>4,500</b>	<b>275</b>	<b>4,775</b>	<b>1,669</b>
<b>Total other services B</b>	<b>4,500</b>	<b>275</b>	<b>4,775</b>	<b>1,669</b>
<b>Total available annual appropriations</b>	<b>17,830</b>	<b>5,627</b>	<b>23,457</b>	<b>11,094</b>
<b>Special appropriations</b>				
<b>Special appropriations unlimited by amount</b>				
Renew able Energy Electricity Act 2000	1,576	-	1,576	1,742
<b>Total special appropriations C</b>	<b>1,576</b>	<b>-</b>	<b>1,576</b>	<b>1,742</b>
<b>Total appropriations excluding Special Accounts</b>	<b>17,830</b>	<b>5,627</b>	<b>23,457</b>	<b>11,094</b>

**Table 1.1: ORER resource statement — Additional estimates for 2010-11 as at Additional Estimates February 2011 (continued)**

	Estimate as at Budget	Proposed Additional Estimate	Total estimate at Estimates 2010-11	Total available appropriation 2009-10
	2010-11	2010-11	2010-11	2009-10
	\$'000	\$'000	\$'000	\$'000
<b>Special Accounts</b>				
Opening balance <sup>5</sup>	-	-	-	-
Non-appropriation receipts to Special Accounts	-	-	-	-
<b>Total Special Account</b>	<b>D</b>			
<b>Total resourcing</b> A+B+C+D	19,406	5,627	25,033	12,836
<b>Total net resourcing for ORER</b>	<b>19,406</b>	<b>5,627</b>	<b>25,033</b>	<b>12,836</b>

1. Appropriation Bill (No.1 & 3) 2010-11.

2. Estimated adjusted balance carried from previous year for annual appropriations.

3. Includes an amount of \$xm in 2010-11 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

4. Appropriation Bill (No.2 & 4) 2010-11.

5. Estimated opening balance for special accounts.

Reader note: All figures are GST exclusive.

### 1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2010-11 Budget. The table is split into revenue, expense and capital measures, with the affected program identified.

**Table 1.2: Agency 2010-11 Measures since Budget**

	Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
<b>Expense measures</b>					
Renewable Energy Target -Enhancement	1.1				
Administered expenses		2,537	-	-	-
Departmental expenses <sup>1</sup>		2,815	-	-	-
<b>Total</b>		<b>5,352</b>	-	-	-
<b>Total expense measures</b>					
Administered <sup>1</sup>		2,537	-	-	-
Departmental		2,815	-	-	-
<b>Total</b>		<b>5,352</b>	-	-	-
<b>Capital measures</b>					
Renewable Energy Target -Enhancement	1.1				
Administered capital		-	-	-	-
Departmental capital <sup>1</sup>		275	-	-	-
<b>Total</b>		<b>275</b>	-	-	-
<b>Total capital measures</b>					
Administered		-	-	-	-
Departmental		275	-	-	-
<b>Total</b>		<b>275</b>	-	-	-
<b>Decisions taken but not yet announced</b>					
			-	-	-

Prepared on a Government Financial Statistics (fiscal) basis

<sup>1</sup> Measure relates to a decision made post MYEFO.

## 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for ORER at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates and variations resulting from new measures since the 2010-11 Budget in Appropriation Bills No.3 and No.4. There were no other Additional Estimates or variations through other factors, such parameter adjustments.

**Table 1.3: Additional estimates and variations to outcomes from measures since 2010-11 Budget**

	Program impacted	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
<b>Outcome 1</b>					
Increase in estimates (administered)					
Renewable Energy Target - Enhancement	1.1	2,537	-	-	-
Net impact on estimates for Outcome 1 (administered)		2,537	-	-	-
Increase in estimates (departmental)					
Renewable Energy Target - Enhancement	1.1	2,815	-	-	-
Increase in capital estimates (departmental)					
Renewable Energy Target - Enhancement	1.1	275	-	-	-
Net impact on estimates for Outcome 1 (departmental)		3,090	-	-	-
<b>Decisions taken but not yet announced</b>		<b>5,627</b>	-	-	-

There were no other variations to outcomes.

## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for ORER through Appropriation Bills No.3 and No.4.

**Table 1.5: Appropriation Bill (No. 3) 2010-11**

	2009-10 Available \$'000	2010-11 Budget \$'000	2010-11 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
<b>ADMINISTERED ITEMS</b>					
<b>Outcome 1</b>					
Outcome 1: Administer and regulate the national renewable energy target scheme to encourage increased renewable electricity generation.	-	-	2,537	2,537	-
<b>Total</b>	-	-	2,537	2,537	-
<b>DEPARTMENTAL PROGRAMS</b>					
<b>Outcome 1</b>					
Outcome 1: Administer and regulate the national renewable energy target scheme to encourage increased renewable electricity generation.	5,553	7,813	10,628	2,815	-
<b>Total</b>	5,553	7,813	10,628	2,815	-
<b>Total administered and departmental</b>	5,553	7,813	13,165	5,352	-

**Table 1.6: Appropriation Bill (No. 4) 2010-11**

	2009-10 Available \$'000	2010-11 Budget \$'000	2010-11 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
<b>Non-operating</b>					
Equity injections	1,100	4,500	4,775	275	-
Renew able Energy Target - Enhancement					
<b>Total non-operating</b>	<b>1,100</b>	<b>4,500</b>	<b>4,775</b>	<b>275</b>	<b>-</b>

## Section 2: Revisions to agency resources and planned performance

### 2.1 RESOURCES AND PERFORMANCE INFORMATION

#### OUTCOME 1

##### Outcome 1 strategy

There is no change to ORER's Outcome Strategy.

**Table 2.1 Budgeted Expenses and Resources for Outcome 1**

	2009-10 Actual expenses \$'000	2010-11 Revised estimated expenses \$'000
Outcome 1: Administer and regulate the national Renewable Energy Target scheme to encourage increased renewable electricity generation		
<b>Program 1.1: Renewable Energy Certificate Management</b>		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	3,414	7,807
Expenses not requiring appropriation in the Budget year	188	21
<b>Total for Program 1.1</b>	<b>3,602</b>	<b>7,828</b>
<b>Program 1.2: Managing Compliance with Legislation</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	-	2,537
Other services (Appropriation Bill No. 2 & 4)		
Special appropriations	1,415	1,576
Special Accounts	-	-
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	1,544	2,821
<b>Total for Program 1.2</b>	<b>2,959</b>	<b>6,934</b>
<b>Outcome 1 Totals by appropriation type</b>		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	-	2,537
Special appropriations	1,415	1,576
Special Accounts	-	-
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1 & 3)	4,958	10,628
Expenses not requiring appropriation in the Budget year	188	21
<b>Total expenses for Outcome 1</b>	<b>6,561</b>	<b>14,762</b>
	2009-10	2010-11
<b>Average Staffing Level (number)</b>	<b>22</b>	<b>38</b>

**Program Expenses 1.1**

	2009-10 Actuals \$'000	2010-11 Revised budget \$'000	2011-12 Forw ard year 1 \$'000	2012-13 Forw ard year 2 \$'000	2013-14 Forw ard year 3 \$'000
Annual departmental expenses:					
Program support	3,414	7,807	4,173	4,637	4,985
Expenses not requiring appropriation in the Budget year	188	21	1,489	1,001	674
<b>Total program expenses</b>	<b>3,602</b>	<b>7,828</b>	<b>5,662</b>	<b>5,638</b>	<b>5,659</b>

**Program Expenses 1.2**

	2009-10 Actuals \$'000	2010-11 Revised budget \$'000	2011-12 Forward year 1 \$'000	2012-13 Forward year 2 \$'000	2013-14 Forward year 3 \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill 1 & 3)	-	2,537	-	-	-
Special Appropriations:					
Renewable Energy Electricity Act 2000	1,415	1,576	2,308	2,308	2,308
Special Account Expenses:					
Renewable Energy Special Account	-	-	-	-	-
Annual departmental expenses:					
Program support	1,544	2,821	1,140	1,131	1,139
Expenses not requiring appropriation in the Budget year					
<b>Total program expenses</b>	<b>2,959</b>	<b>6,934</b>	<b>3,448</b>	<b>3,439</b>	<b>3,447</b>

## Section 3: Explanatory tables and budgeted financial statements

### 3.1 EXPLANATORY TABLES

#### Estimates of special account flows

Special accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by ORER. The corresponding table in the 2010-11 PB Statements is Table 3.1.2.

**Table 3.1.1: Estimates of special account flows**

	Opening balance <b>2010-11</b> <i>2009-10</i>	Receipts <b>2010-11</b> <i>2009-10</i>	Payments <b>2010-11</b> <i>2009-10</i>	Adjustments <b>2010-11</b> <i>2009-10</i>	Closing balance <b>2010-11</b> <i>2009-10</i>
Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Renew able Energy Special Account (A)	1 -	200,000	200,000	-	-
<b>Total Special Accounts</b>	-	-	-	-	-
<b>2010-11 Budget estimate</b>	-	-	-	-	-
<i>Total Special Accounts</i>	-	-	-	-	-
<i>2009-10 estimate actual</i>	-	-	-	-	-

(A) = Administered  
(D) = Departmental

## 3.2 BUDGETED FINANCIAL STATEMENTS

### 3.2.1 Analysis of budgeted financial statements

#### Departmental

The increase in expenditure and corresponding increase in revenue from government are a direct result from the new measures since the Budget.

#### Administered

The new special account was established to provide a Clearing House to enable the purchase and sale of the small-scale technology certificates by liable and eligible entities and as such any balance of the special account at reporting day is to make payments to sellers listing their certificates for sale.

**Table 3.2.1: Budgeted departmental Comprehensive Income Statement (Showing Net Cost of Services)**

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>EXPENSES</b>					
Employee benefits	2,328	4,446	3,744	3,728	3,728
Supplier expenses	2,548	6,182	3,071	3,054	3,070
Depreciation and amortisation	458	33	-	-	-
<b>Total expenses</b>	<b>5,334</b>	<b>10,661</b>	<b>6,815</b>	<b>6,782</b>	<b>6,798</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Gains</b>					
Other	188	-	-	-	-
<b>Total gains</b>	<b>188</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income</b>	<b>188</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cost of (contribution by) services</b>	<b>(5,146)</b>	<b>(10,661)</b>	<b>(6,815)</b>	<b>(6,782)</b>	<b>(6,798)</b>
Revenue from Government	5,553	10,628	6,815	6,782	6,798
<b>Total comprehensive income attributable to the Australian Government</b>	<b>407</b>	<b>(33)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note: Reconciliation of operating result attributable to the agency**

	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2012-13 \$'000
<b>Operating result attributable to the Australian Government</b>	<b>407</b>	<b>(33)</b>	<b>-</b>	<b>-</b>	<b>-</b>
plus non-appropriated expenses depreciation and amortisation expenses	458	33	-	-	-
<b>Operating result attributable to the Agency</b>	<b>865</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)**

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	83	83	83	83	83
Trade and other receivables	5,479	5,479	5,479	5,479	5,479
Other	-	-	-	-	-
<b>Total financial assets</b>	<b>5,562</b>	<b>5,562</b>	<b>5,562</b>	<b>5,562</b>	<b>5,562</b>
<b>Non-financial assets</b>					
Property, plant and equipment	380	380	380	380	380
Intangibles	442	5,196	5,196	5,196	5,196
Other	17	17	17	17	17
<b>Total non-financial assets</b>	<b>839</b>	<b>5,593</b>	<b>5,593</b>	<b>5,593</b>	<b>5,593</b>
<b>Total assets</b>	<b>6,401</b>	<b>11,155</b>	<b>11,155</b>	<b>11,155</b>	<b>11,155</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	694	694	694	694	694
Other	52	52	52	52	52
<b>Total payables</b>	<b>746</b>	<b>746</b>	<b>746</b>	<b>746</b>	<b>746</b>
<b>Provisions</b>					
Employee provisions	559	559	559	559	559
Other	-	-	-	-	-
<b>Total provisions</b>	<b>559</b>	<b>559</b>	<b>559</b>	<b>559</b>	<b>559</b>
<b>Total liabilities</b>	<b>1,305</b>	<b>1,305</b>	<b>1,305</b>	<b>1,305</b>	<b>1,305</b>
<b>Net assets</b>	<b>5,096</b>	<b>9,850</b>	<b>9,850</b>	<b>9,850</b>	<b>9,850</b>
<b>EQUITY</b>					
Contributed equity	1,717	6,492	6,492	6,492	6,492
Reserves	-	-	-	-	-
Retained surplus (accumulated deficit)	3,379	3,358	3,358	3,358	3,358
<b>Total equity</b>	<b>5,096</b>	<b>9,850</b>	<b>9,850</b>	<b>9,850</b>	<b>9,850</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Budgeted departmental statement of cash flows (as at 30 June)**

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	4,150	10,628	6,815	6,782	6,798
Net GST received	277	-	-	-	-
<b>Total cash received</b>	<b>4,427</b>	<b>10,628</b>	<b>6,815</b>	<b>6,782</b>	<b>6,798</b>
<b>Cash used</b>					
Employees	2,300	4,446	3,744	3,728	3,728
Suppliers	2,157	6,182	3,071	3,054	3,070
<b>Total cash used</b>	<b>4,457</b>	<b>10,628</b>	<b>6,815</b>	<b>6,782</b>	<b>6,798</b>
<b>Net cash from (used by) operating activities</b>	<b>(30)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	964	4,775	-	-	-
Purchase of financial instruments					
Investments					
Other					
<b>Total cash used</b>	<b>964</b>	<b>4,775</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (used by) investing activities</b>	<b>(964)</b>	<b>(4,775)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	869	4,775	-	-	-
Proceeds from issuing financial instruments					
Other					
<b>Total cash received</b>	<b>869</b>	<b>4,775</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Repayments of borrowings					
Dividends paid					
Other	2,620	-	-	-	-
<b>Total cash used</b>	<b>2,620</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (used by) financing activities</b>	<b>(1,751)</b>	<b>4,775</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash held</b>	<b>(2,745)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	2,828	83	83	83	83
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>83</b>	<b>83</b>	<b>83</b>	<b>83</b>	<b>83</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2010-11)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2010</b>					
Balance carried forward from previous period	3,379	-	-	1,717	5,096
Adjustment for changes in accounting policies					
<b>Adjusted opening balance</b>	<b>3,379</b>	<b>-</b>	<b>-</b>	<b>1,717</b>	<b>5,096</b>
<b>Comprehensive income</b>					
Surplus (deficit) for the period	(33)	-	-	-	(33)
<b>Total comprehensive income recognised directly in equity</b>	<b>(33)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(33)</b>
<b>Transactions with owners</b>					
<i>Distributions to owners</i>					
Returns on capital					
Dividends					
Returns of capital					
Restructuring					
Other					
<i>Contributions by owners</i>					
Appropriation (equity injection)	-	-	-	4,775	4,775
Appropriation (departmental capital budget)					
Other	-	-	-	-	-
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,775</b>	<b>4,775</b>
Transfers between equity components					
<b>Estimated closing balance as at 30 June 2011</b>	<b>3,346</b>	<b>-</b>	<b>-</b>	<b>6,492</b>	<b>9,838</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Capital Budget Statement — Departmental**

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2009-10	2010-11	2011-12	2012-13	2013-14
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CAPITAL APPROPRIATIONS</b>					
Equity injections - Bill 2	1,100	4,775	-	-	-
<b>Total capital appropriations</b>	1,100	4,775	-	-	-
<b>Total new capital appropriations</b>					
<b>Represented by:</b>					
Purchase of non-financial assets	869	4,775	-	-	-
<b>Total Items</b>	869	4,775	-	-	-
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded internally from annual and prior year appropriations	95	-	-	-	-
<b>TOTAL</b>	964	4,775	-	-	-
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	964	4,775	-	-	-
<b>Total cash used to acquire assets</b>	<b>964</b>	<b>4,775</b>	-	-	-

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of Asset Movements (2010-11)**

	Other property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2010</b>			
Gross book value	506	1,257	1,763
Accumulated depreciation/amortisation and impairment	(126)	(815)	(941)
<b>Opening net book balance</b>	<b>380</b>	<b>442</b>	<b>822</b>
<b>CAPITAL ASSET ADDITIONS</b>			
<b>Estimated expenditure on new or replacement assets</b>			
By purchase - appropriation equity	-	4,775	4,775
By purchase - appropriation ordinary annual services			
<b>Total additions</b>	<b>-</b>	<b>4,775</b>	<b>4,775</b>
<b>Other movements</b>			
Depreciation/amortisation expense	-	(33)	(33)
<b>As at 30 June 2011</b>			
Gross book value	506	6,032	6,538
Accumulated depreciation/amortisation and impairment	(126)	(848)	(974)
<b>Closing net book balance</b>	<b>380</b>	<b>5,184</b>	<b>5,564</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.8: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)**

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Non-taxation revenue</b>					
Fees and fines	3,074	3,430	3,940	3,940	3,940
<b>Total non-taxation revenue</b>	<b>3,074</b>	<b>3,430</b>	<b>3,940</b>	<b>3,940</b>	<b>3,940</b>
<b>Total revenues administered on behalf of Government</b>	<b>3,074</b>	<b>3,430</b>	<b>3,940</b>	<b>3,940</b>	<b>3,940</b>
<b>Gains</b>					
Other	39	-	-	-	-
<b>Total gains administered on behalf of Government</b>	<b>39</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total income administered on behalf of Government</b>	<b>3,113</b>	<b>3,430</b>	<b>3,940</b>	<b>3,940</b>	<b>3,940</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Supply of Goods and Services	-	2,537	-	-	-
Write-down and impairment of assets	626	-	-	-	-
Other	1	1,576	2,308	2,308	2,308
<b>Total expenses administered on behalf of Government</b>	<b>627</b>	<b>4,113</b>	<b>2,308</b>	<b>2,308</b>	<b>2,308</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.9: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)**

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Receivables	949	949	949	949	949
<b>Total financial assets</b>	<b>949</b>	<b>949</b>	<b>949</b>	<b>949</b>	<b>949</b>
<b>Total assets administered on behalf of Government</b>	<b>949</b>	<b>949</b>	<b>949</b>	<b>949</b>	<b>949</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Other	4	4	4	4	4
<b>Total payables</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
<b>Total liabilities administered on behalf of Government</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.10: Schedule of budgeted administered cash flows (for the period ended 30 June)**

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forw ard estimate 2011-12 \$'000	Forw ard estimate 2012-13 \$'000	Forw ard estimate 2013-14 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Interest	1	-	-	-	-
Fees	2,003	3,430	3,940	3,940	3,940
Other	2	-	-	-	-
<b>Total cash received</b>	<b>2,006</b>	<b>3,430</b>	<b>3,940</b>	<b>3,940</b>	<b>3,940</b>
<b>Cash used</b>					
Other	1,415	4,113	2,308	2,308	2,308
<b>Total cash used</b>	<b>1,415</b>	<b>4,113</b>	<b>2,308</b>	<b>2,308</b>	<b>2,308</b>
<b>Net cash from (used by) operating activities</b>	<b>591</b>	<b>-683</b>	<b>1,632</b>	<b>1,632</b>	<b>1,632</b>
<b>Net increase (decrease) in cash held</b>					
Cash and cash equivalents at beginning of reporting period					
Cash from Official Public Account for:					
- Appropriations	-	2,537	-	-	-
- Special Appropriations	-	1,576	2,308	2,308	2,308
	-	4,113	2,308	2,308	2,308
Cash to Official Public Account for:					
- Fees and Fines	2,006	3,430	3,940	3,940	3,940
	2,006	3,430	3,940	3,940	3,940
<b>Cash and cash equivalents at end of reporting period</b>	<b>1,415</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

## **Notes to the financial statements**

The statements have been prepared in accordance with:

- Finance Minister's Orders (FMO's), being the Financial Management and Accountability Orders;
- Australian Equivalents of International Financial Reporting Standards (AEIFRS) issued by the Australian Accounting Standards Board(AASB) that apply for the reporting period; and
- Interpretations issued by the AASB and Urgent Issues Group (UIG) that apply for the reporting period.

The statements have been prepared on an accruals basis and are in accordance with historical cost principles except for certain assets, which, as noted, are at valuation.

### **Departmental**

#### **Income**

Income includes the following items:

- Revenues from Government - amounts appropriated for departmental outputs; and
- Gains - resources received free of charge

#### **Expenses**

Expenses are recognised on an accrual basis, as and when these can be reliably estimated.

#### **Assets**

Property, plant and equipment are carried at their fair value.

Non-current assets are reviewed at balance date for internal and external indications of impairment. Where indications of impairment are identified for an asset, its recoverable amount is determined and where lower than its carrying amount, written down to that amount.

The agency's intangible assets comprise internally developed computer software for internal use. These assets are carried at cost.

**Liabilities**

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled. The liability for employee benefits includes provision for annual leave and long service leave.

Liabilities for 'short-term employee benefits' (as defined in AASB 119) and termination benefits due twelve months of balance date are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability. All other employee benefit liabilities are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Trade creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled which represent their fair value. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

**Administered**

Administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

## PORTFOLIO GLOSSARY

<b>Term</b>	<b>Meaning</b>
Accrual Accounting	System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Accumulated Depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Additional Estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to Portfolios through the Additional Estimates Acts.
Administered Items	Expenses, revenues, assets or liabilities managed by agencies on behalf of the Commonwealth. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.
Appropriation	An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.
Annual Appropriation	Two Appropriation Bills (Appropriation Bills 1 and 2) are introduced into Parliament in May and comprise the Budget for the financial year beginning 1 July. Further Bills are introduced later in the financial year as part of the Additional Estimates budget process (Appropriation Bills 3 and 4).
Assets	Future economic benefits controlled by an entity as a result of past transactions or other past events.
Capital expenditure	Expenditure by an agency on capital projects, for example purchasing a building.
Consolidated Revenue Fund	S.81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth

forms the consolidated revenue fund (CRF). The CRF is not a bank account. The Official Public Account reflects most of the operations of the CRF.

Departmental Items	Assets, liabilities, revenues and expenses that are controlled by the agency in providing its outputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Equity or Net Assets	Residual interest in the assets of an entity after deduction of its liabilities.
Evaluation	A systematic, objective assessment of the appropriateness, effectiveness or efficiency of an intervention. Depending on the purpose of the evaluation and the stage of development of the relevant business, an evaluation may focus on more than one of these issues.
Expense	Total value of all the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity.
Fair Value	Valuation methodology: The amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.
Forward Estimates	The estimated revenues, expenses and associated financial statements for the three outyears past the Budget year.
Liabilities	What the agency 'owes' (obligations to make payments or render services as a result of past

	transactions).
Measure	A Government decision.
Operating Result	Equals revenue less expense.
ORER	Office of the Renewable Energy Regulator
Outcomes	The Government's objectives in each Portfolio area. Outcomes are the desired results, impacts or consequences for the Australian community as influenced by the actions of the Australian Government. Actual outcomes are assessments of the end-results or impacts actually achieved.
Programs	Activities or group of activities that contribute to the intended results of Government as specified in agency outcome statements.
Performance Measures	A more precise measure than indicators. Performance measures relate to outcomes, outputs, third party outputs and administered items. They are used when there is a direct causal link between an intervention and a measurable change in performance.
REC	Renewable Energy Certificate
Revenue	Total value of resources earned or received in respect of goods and services provided.
Special Account	Balances existing within the Consolidated Revenue Fund (CRF), that are supported by standing appropriations, ( <i>Financial Management and Accountability Act (FMA) 1997, ss.20 and 21</i> ). Special accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special Accounts can only be established by a written determination of the Finance Minister (s.20 FMA Act) or through an Act of Parliament (referred to in s.21 of the FMA Act).
Special Appropriation (including Standing	An amount of money appropriated by a particular Act of Parliament for a specific purpose and number

Appropriations)

of years. For special appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year.

Standing appropriations are a sub-category consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.

Stakeholders

People, organisations or groups with an interest or stake in the line of business.